

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
January 21, 1975

MEMORANDUM

SUBJECT: Iraq: New Directions?

Over the past year Middle Eastern observers have speculated that Iraq might have begun to break out of its self-imposed isolation, a feature of Iraqi politics since the overthrow of the monarchy in 1958. In this paper, we assess the significance of tentative Iraqi moves toward rapprochement with the conservative Arabs, the quickened tempo of Baghdad's diplomatic and economic exchanges with the West, and some signs of friction in Iraq-Soviet relations. We conclude that the putative signs of change in Iraqi policy reflect adaptations to internal and external challenges facing the regime and are not indicative of a basic shift in the Arab socialist leadership's revolutionary outlook.

Iraq, long considered a radical outsider in Arab politics, began to renew its contacts last year with Arab states of a more conservative bent. It is our assessment, however, that the new air of cordiality noted in Baghdad's contacts with the other Arabs reflects a tactical maneuver rather than a basic shift in the Iraqi regime's policies. While Baghdad entered into a dialogue with Cairo last spring, it continues to criticize--along with the Palestinian extremists--Egyptian "capitulationist" moves toward negotiations with Israel. Baghdad's unabated interference in the domestic affairs of its neighbors in the Gulf, moreover, feeds the long-held suspicions of conservative Arab rulers, whom the Iraqis of late are trying to court.

The ambitions of Iraq's leaders to carve out a sphere of influence in the Persian Gulf exceed Baghdad's present capabilities. The lengthening shadow in international and Gulf affairs of Iraq's rival and neighbor, Iran, makes Baghdad's failure to gain recognition as a shaper of events all the more intolerable to the Iraqi regime.

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Although he has complex problems, the dominant personality in Baghdad, Saddam Husayn Tikriti, the tough 38-year-old Baath party strongman, can perhaps take the long view. He probably believes that by the end of the decade--when Iraq could surpass Iran in oil-production--Baghdad will be a more credible competitor with Iran for political influence in the Gulf and a more highly regarded participant in Arab councils.

The present Baathist government, headed by President Ahmad Hasan al-Bakr, came to power in July 1968 in a coup against President Arif. It is a coalition of military and civilian factions of the Baath Party of Iraq. Bakr and Saddam Husayn are the leading figures of the military and civilian wings, respectively.

In July 1973, the ruling Baath Party formed a national front with the Iraqi Communist Party, in a move to appease the Soviets and promote national unity in the wake of an abortive coup led by the then chief of internal security. The Communists are deeply distrusted by the Baathists, however, and are excluded from decision-making.

The Iraqi Baath is a secular political party that espouses an elaborate, if somewhat vague, left-wing social and political philosophy. The Bakr regime has accelerated the socialist economic policy espoused by all Iraqi governments since the monarchy was overthrown in 1958; it has paid particular attention to the all-important oil sector. Baghdad is also pushing to complete a land reform program instituted after the 1958 revolution.

The regime is building a one-party state that depends for its perpetuation in power on the repressive Baath security apparatus and the military, as well as the passive acquiescence of the Arab majority of Iraq's 10.5 million population. Saddam Husayn's personal control of the Baath security apparatus, which monitors the activities of potential trouble makers in the party and the military, gives him a clear advantage over the military faction in the Baath in the political balance of power.

While nothing is clear in the murky uncertainties of Baghdad politics, Saddam Husayn seems to have emerged as the most powerful figure sometime in the past two years. His dominance was confirmed by the appointment last November of a cabinet that is studded with Baathists in key ministries loyal to him.

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Saddam Husayn's ascendancy has been facilitated in recent months by the declining health of President Bakr. The latter is apparently now gravely ill and less active, although his illness has not been publicized and he retains his posts as secretary general of the Baath and chairman of the Revolutionary Command Council, nominally the highest executive and legislative authority.

Saddam Husayn holds positions as Bakr's deputy in the party and the council. The provisional constitution calls for Bakr's eventual successor in the presidency to be elected by the council, now dominated by Saddam Husayn's supporters.

Saddam thus appears to be in a position, should Bakr leave the political scene in the near future, either to succeed to the top posts himself or to name a figurehead chief of state--perhaps a respected, retired military man with revolutionary credentials. Inasmuch as Saddam Husayn is already making the key decisions of state, Bakr's death or retirement would probably not lead to significant changes in Iraq's domestic or foreign policies.

The Kurds Again

Before the Iraqi Baathists can make much headway in achieving their regional pretensions, they must first put their own house in order. A priority problem for the present government in Baghdad, as for previous ones, is the resistance of most of the country's 2 million Kurdish tribesmen, led by 71-year old Mulla Mustapha Barzani, to rule by the dominant Arabs.

The latest phase of the open warfare between Iraq's Kurds and Arabs, which has flared up sporadically since the overthrow of the monarchy, began last March following Kurdish rejection of an autonomy proposal offered by the government. The military campaign waged by Baghdad in 1974 has been the most successful ever, having captured 70 percent of the territory the Kurds claimed before the latest round of fighting began.

Nevertheless, the protracted fighting, which continues to tie down 100,000 Iraqi troops, is testing the patience of the military, and drawing Iran into a deepening involvement in support of the Kurds. It is also adding strains to Iraq's already troubled economy. The call-up of reservists last fall reduced the size of an already short labor force in industry and agriculture and aggravated shortages of food and consumer goods.

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Saddam Husayn seems confident that Baghdad's oil income, its increased arms superiority as a result of Soviet deliveries in recent years, and his strong political position give him the cards to end the war on his own terms. Government casualties almost certainly already number in the thousands, but the Iraqi strongman and his supporters seem prepared to pay any cost in men, revenue and arms to achieve their objective.

The war has been stalemated since late November when it became clear that an offensive launched in August had failed in its objective to cut off the Kurds' vital supply lines from Iran before winter.

The Kurds, now pushed back to a 25- by 500-mile strip of rugged terrain along the Iranian border, are determined to re-take much of the ground they have lost. With the aim of inflicting maximum casualties, the Kurds are directing a daily barrage of artillery and mortar fire on Iraqi forward positions while in rear areas Kurdish guerrilla teams are mining roads, ambushing military columns, attacking police posts, and occasionally blowing up oil pipelines.

During the inconclusive fighting of the 1960s, the rebels typically regain territory during winter months when Iraq's mechanized operations were brought to a standstill. This time, however, the Iraqis are well dug in and are far better equipped with Soviet armor and artillery than they were in previous campaigns.

If the Iraqis can hold their fixed positions in the north-east over the next few months, they will be in a good position from which to press on to the Iranian border in the spring. Should they succeed, the Kurdish forces, which are estimated to total some 70,000 men, will be forced to operate solely as guerrilla units or to take sanctuary in Iran.

Iranian Involvement

The pattern discernible since late summer of increasing and more direct Iranian support for the Kurds suggests the Shah is not willing to let Iraq win a military victory over the Kurds.

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25X1 The Shah has received low-key demarches on behalf of Iraq from some Arabs [redacted] regarding Iran's role in the war. Thus far, the Shah has not been deterred by such approaches, and he is not likely to be unless Arab leaders with whom he wants good relations make the point more forcefully.

25X1 The Shah's increasingly visible entanglement in the Kurdish rebellion, still officially denied, is motivated by a desire to paralyze a regime he deeply distrusts. He believes that Baghdad, if freed from fighting the Kurds, would expand its support for Iranian dissidents and step up its efforts, using diplomacy and subversion, to establish an Iraqi sphere of influence in the Gulf.

The Kurds are hoping that the support they get from Iran will keep the Iraqi army at bay long enough to make the war politically intolerable to Baghdad. It is possible that Saddam Husayn may decide to cut his losses if the war drags on inconclusively and if he senses that disaffection in the Baath and the military is developing into a threat to his personal power. At present, however, Saddam apparently believes that his security apparatus can keep potential troublemakers in check.

Soviet Support

25X1 The steady flow of ground forces equipment and fighter bombers from the USSR to Iraq since the 1967 Arab-Israeli war has given Baghdad a bigger club in dealing with the Kurds than it ever had before [redacted]

[redacted] The Kurds claim that Soviet pilots have flown combat missions, although this is still open to question.

25X1 Moscow's backing, however, of the Iraqi effort to subdue the Kurds is by no means open-ended. The Soviets have never publicly endorsed the campaign against the Kurds [redacted]

[redacted]

Moscow's sensitivity to its own substantial political and economic interests in Iran has caused it to rebuff Iraqi requests for intercession with the Shah. As Iran becomes more deeply enmeshed in the war, Moscow may view its arms aid to Iraq as an obstacle to further improvement in its relations with Tehran; there are already some signs that Moscow is urging caution upon Baghdad in its prosecution of the war.

Iraq's efforts over the past year to improve its relations with the West also raises problems with the USSR. Senior Soviet officials who have been shuttling to Baghdad in recent months probably sought clarification of Iraq's intentions in making recent moves toward a more balanced foreign policy.

The unprecedented fanfare given to French Prime Minister Chirac's visit to Baghdad in early December is the most recent in a series of developments that the Soviets almost certainly read as undermining their position in Iraq. Among these were the closure of the Soviet, East German, and Czech cultural centers in August 1973 and Baghdad's reestablishment of relations with West Germany and the UK in early 1974.

General Secretary Brezhnev had been expected to take up outstanding issues with Iraqi leaders this month. The scheduled meeting fell victim to the postponement of Brezhnev's Middle East swing.

Buying Western

Baghdad's moves in 1974 to put relations with the West on a more normal footing were prompted not by a softening of its hostile outlook toward Western governments, but by a pragmatic assessment of economic factors. Iraq's growing oil income--estimated at nearly \$6.5 billion in 1974--gives its latitude to shop where it chooses. Baghdad is showing a clear preference for Western industrial equipment and technical skills to those from the Soviets and Eastern Europe, even at considerably higher prices.

French Prime Minister Chirac's visit was for Paris a commercial success, resulting in the award of contracts to French firms for a \$750-million petro-chemical plant, a color television system, and several other projects. West Germany, Belgium, and other West Europeans have also concluded profitable commercial transactions with Baghdad in the past year.

In the rush to buy Western to meet their development needs, the Iraqis have been generally consistent in separating politics

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from economics. It cost the Iraqis little to endorse French-sponsored initiatives, such as the tripartite oil conference and the Euro-Arab dialogue. On the other hand, Chirac came away with the impression that the regime's general attitude toward the West was even tougher than in the past, a posture the French attributed to positions on Israel and energy espoused by most other Western countries.

Despite the proliferation of economic deals with the West, Baghdad's xenophobic view of the world still conditions its diplomatic exchanges. Western embassies are generally kept under close surveillance by the security services; even the Soviets and their East European allies do not enjoy unrestricted freedom of movement.

Still insecure after six years in power, Iraq's Baathist leadership fears that cultural and informational activities by embassies will contaminate the citizenry with alien ideologies and will create seedbeds of dissidence. Iraqis who are routinely contacted by members of diplomatic missions invariably receive follow-up visits from the security services.

The United States is viewed with particularly deep antipathy for its ties with Israel, Iran, and Saudi Arabia. Reflecting its dualist approach to foreign relations, Iraq gives red carpet treatment to US businessmen while severely limiting official contact with the US diplomat who heads our interests section in the Belgian embassy. For the moment, Iraq sees no advantage in ending its status as the only Arab state, among those that broke with the US in 1967 over the Arab-Israeli war, that has not reestablished ties with Washington.

Arab Bystander

Iraq, like Libya, is geographically removed from the cease-fire lines of the Arab-Israeli conflict. Iraqi battlefield losses in the October War were moderate and the home front was untouched. This helps explain Baghdad's continued adherence to belligerent rhetoric and an uncompromising stand against negotiations. Iraq bitterly denounced Egyptian and Syrian acceptance of a cease-fire and withdrew its forces in protest.

Iraq contributed about 38,000 troops and four squadrons of jet fighters to the Arab side in the last round of fighting. At the moment, with the Iraqi army bogged down in Kurdistan, Baghdad could send no more than a token force to the Israeli front to back up its repeated calls for all-out struggle.

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Some observers see Iraq as a prisoner of its dogmatic anti-Israel policy over the past 25 years. In fact, Baghdad sees some merit in its inflexible posture and no real disadvantages, at least while negotiations remain stalled. The Iraqis probably calculate that they can climb on the negotiations bandwagon, when, and if, they sense that progress is being made toward a settlement.

For the moment, the Iraqis, allied with the Palestinian fedayeen groups that reject the Palestine Liberation Organization's endorsement of negotiations, prefer the adversary role. This posture, they reason, places them in the vanguard of the Arab world and casts them as purists who brook no compromise with the enemy. Should Egypt or Syria renounce the peaceful approach to a settlement, the Iraqis will be quick to trumpet to the Arab world that they had been right all along.

While maintaining its position against a "capitulationist" policy toward Israel, Iraq is showing some signs of wanting to break out of its isolation in the Arab world. Last May, Iraq responded favorably to overtures from Egyptian President Sadat to begin a dialogue; Sadat's main aims appear to be to gain access to Iraqi oil money and to reduce Soviet influence in Baghdad.

Iraq welcomes expanded economic relations with Egypt; last July, the two sides signed a \$700 million agreement for joint ventures, which includes a \$175 million Iraqi loan to Egypt. Iraq's dependence on the USSR to supply its arsenal with advanced aircraft and sophisticated weapons, as well as ground forces equipment and ammunition, makes it unlikely that Baghdad will respond to Egyptian prodding about loosening its ties with Moscow, particularly at a time when the Kurdish war runs the risk of triggering open conflict with Iran.

The new warmer relationship with Egypt may be strengthened when Sadat pays his projected visit to Baghdad, perhaps next month. The Egyptian leader can be expected to make a major effort to moderate Baghdad's opposition to his policy of negotiations with Israel. Other priority items for discussion are likely to be the Soviet role in the Middle East and Iraq's strained relations with Iran.

The other Arabs are going along with Egypt's overtures to Iraq. Cairo has been working to convince the Saudis, who remain skeptical about Iraqi motives, that Baghdad's tentative moves

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toward rapprochement should be encouraged. The Saudis suspect that Iraq's new conciliatory posture may be no more than a tactical maneuver to persuade the Arabs that they should give full support to their Arab ally in its quarrel with Iran. Iraqi Foreign Minister Hammadi, in fact, argued this point forcefully during his swing through Saudi Arabia and the Persian Gulf this month. Saddam Husayn's publicized reconciliation with Saudi Arabia's King Faysal and Jordanian King Husayn at the Rabat summit last fall demonstrated that all parties are at least willing to end the public feuding.

Iraq's neighbors, however, will continue to distrust Iraqi objectives in the region as long as Baghdad continues to occupy the strip of Kuwaiti territory it seized nearly two years ago and until Iraq ends its interference in the internal political affairs of the Gulf states. At present, the Iraqis are contributing liberally to the campaigns of opposition candidates in the national assembly elections to be held in Kuwait later this month.

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Approved For Release 2003/08/19 : CIA-RDP85T00353R000100130006-6

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